

## PARTISAN POLITICS

Mr. MILLER. Mr. President, I hear today we are about to have a funeral, that the stimulus bill is on life support, and that the plug will be pulled sometime today. The cause of death? Partisan politics. It is a shame, although perhaps the money can now be applied to the deficit, which has concerned some of us, and we will be closer to a balanced budget.

The soon-to-be-deceased could have been saved. We had a reasonable compromise right before we adjourned for Christmas. The President supported it. Some Democrats, including this one, supported it. It had a majority of the votes in the Senate. Right now, if it had passed, it could have already been signed, the rebates could be being prepared, a reasonable health care benefit could have been a reality—such promise. Who was it who wrote that the saddest words of word or pen are that it might have been—something like that?

This week we could have made the tax cut permanent. We could have added a capital gains tax cut. That is what Senator GRAMM and I have advocated for some time.

No one ever stated so well how powerful an effect a cut in the capital gains tax could have on the economy as a Democrat, President John F. Kennedy. I quote:

The tax on capital gains directly affects investment decisions . . . the mobility and flow of risk capital from static to more dynamic situations . . . the ease or difficulty experienced by new ventures in obtaining capital . . . and thereby the strength and potential for growth of the economy.

That was Jack Kennedy, not the Washington Times or the Wall Street Journal or Lawrence Kudlow or PHIL GRAMM or Bob Novak. That was John Kennedy, a Democrat.

Over the years, he was not the only member of my party who advocated cutting the capital gains tax as a good way to stimulate the economy. Senator Patrick Moynihan, that wise and brilliant former Member of this body, consistently advocated it over the years.

What history shows is that, once upon a time, Democrats were tax cutters. I wish I could bring that time back. I rise today to strongly advocate making the tax cut we passed last year permanent and to cut the capital gains tax rate.

Unfortunately, the tax cut we passed last year, although it was a great tax cut, was compromised on its way to final passage. What started out as a broad, immediate, and permanent tax cut became one where some of the tax relief is delayed by several years. Then to add insult to injury, the whole thing is to be repealed in 2010.

We do something that, to my knowledge, Congress never had the gall to do before on a broad basis. We sunset individual tax cuts. We have done that several times with business tax revisions. But to individuals, to families, we have never done it where we gave them their money back and then took it away

again later. That is playing games with our taxpayers. We should never do that. Eliminate the uncertainty of this tax cut and you will stimulate our economy. How can anyone make any long-range plans for a business or for a family with a here-today, maybe-gone-tomorrow tax cut, a tax cut that has a perishable date on it like a quart of milk?

The fastest way to show taxpayers we are serious about tax relief—the only way, really—is to make the tax cut permanent. The fastest way to prompt businesses to expand and to invest is to cut the capital gains rate from 20 to 15 percent. We are not in a slump just because consumer sales are down. We are in a slump because venture capital fell 74 percent in the past year. Capital spending by businesses is at its lowest in decades.

As Senator GRAMM said, every time we have cut the capital gains rate—every time—tax revenues have risen, not fallen, and asset values have always shot up.

Today a capital gains tax cut would bring even better results because today's stock market is no longer the playground of the rich. Almost half of all Americans now own stock, and almost a third—one out of three—who earn less than \$30,000 a year own stock. Aren't those the people whom we Democrats say we want to help? The American middle class has become, for the first time in our history, the American investment class.

So as I eulogize this soon-to-be-deceased, I think of the bruised and battered Marlon Brando's "On The Waterfront"—what could have been. We could have had a contender.

The PRESIDING OFFICER (Mr. CORZINE). The Senator from Missouri.

CONTINUING WORK ON THE  
STIMULUS PACKAGE

Mr. BOND. Mr. President, I thank my colleagues from Georgia and from Texas for presenting some very cogent arguments as to why we need to keep working on this stimulus bill. I am disappointed by the sounds I am hearing that it is going to be pulled. We need stimulus in this economy, and we have already adopted an amendment that I proposed, on an overwhelmingly bipartisan vote, to allow small businesses to write off immediately their investments.

As I have said, I have two more amendments, frankly, in addition, that are pending at the desk that I think my colleagues, if given an opportunity to vote on them, would vote for overwhelmingly.

First is a measure that addresses the tax benefits for the armed services members who served in the operations in Somalia. I don't think there would be many on this floor who would not vote for it if they had a chance. It provides that those who served during peacekeeping efforts in Somalia should receive the same tax benefits in the

same manner as if such services were performed in a combat zone.

As we fight the global reach of the terrorist networks, we are asking our men and women in uniform to perform at the very highest levels and at an unprecedented operational tempo. This amendment I filed would allow the men and women who served within the hostile fire zone in Somalia to file for the same tax breaks afforded to military forces who serve in a combat zone. Anybody who has seen the movie "Blackhawk Down," based on the real world conflict in Somalia, will understand that our forces who served in that conflict were in a combat zone.

The Pentagon criterion for hostile fire pay requires the duty is "event based, payable to members certified that have been subject to a hostile fire. . . ."

Former SSG Kenneth Chatman, from Oran, MO, served the Army for 16 years as an avionics electronics repair technician. He served in Somalia from August of 1993 to January of 1994 with the 101st Airborne Division, air assault. The only tax exemption soldiers in Somalia got was when they transited to some other zone. In his case, he flew over Egypt and got a tax-free month. That is unjust. I believe anybody who appreciates the battle that our military are taking on against terrorism will understand that the sacrifices made by our forces require that we give these brave men and women the same tax breaks that others under direct fire receive.

The second amendment I have is truly a stimulus measure. It is designed to increase the amount of venture capital available to small business. The Small Business Administration Small Business Investment Company Program—the SBIC Program—has a significant role in providing venture capital to small businesses seeking investments in the range of \$500,000 to \$3 million.

Small Business Investment Companies are Government-licensed, Government-regulated, privately managed, venture capital firms created to invest only in original debt or equity securities of U.S. small businesses that meet size standards set by law.

In the current economic environment, the SBIC Program represents an increasingly important source of capital for small enterprises—small enterprises that are struggling to get back on their feet, to grow now in the face of this economic recession we have been in for well over a year. They need to have funding. While debenture SBICs qualify for SBA-guaranteed borrowed capital, the Government guarantee forces a number of potential investors—namely, pension funds—to avoid investing in SBICs because they would be subject to tax liability for unrelated business tax income—UBTI. Thus, they don't put their money in it. As a result, 60 percent of the private capital potentially available to invest for these SBICs to create jobs, put men and